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PROGRAM The McLaughlin Group STATION WRC-TV Syndicated

DATE June 7, 1986 7:30 P.M. CITY Washington, D.C.

SUBJECT U.S. Handling of Espionage Cases

JOHN MCLAUGHLIN: Issue Three: To Russia with love. The spy who sold his country for $35,000 was convicted this week on four counts of conspiracy and espionage. Ronald Pelton, a Russian-speaking communications specialist for the United States ultra-secret intelligence organization, the National Security Agency, provided the Soviet Union with invaluable disclosures about how this country collects information on the Russians, especially sensitive details on code-breaking, data described at the trial as more damaging than that turned up by any traitor in recent years.

Besides spying, this trial also brought to the surface how the United States conducts its own counterintelligence. This, in turn, brought the nation's Intelligence Establishment into sharp public conflict with the press.

Fred Barnes, what did this trial reveal about the performance record of United States counterintelligence; and second, about the role of the press in reporting U.S. counterintelligence and espionage in general?

FRED BARNES: Well, forget about the press thing. That's a different thing entirely and it's a big bluff by the Administration about prosecuting the press. But it did show a lot about counterintelligence and how ineffective it is. Those guys couldn't catch a cold.

Look at the Pelton case. The guy walked in the Soviet Embassy in Washington, spent days on several occasions at the Soviet ambassador's house in Vienna, and they didn't learn a thing about him until Vitaly Yurchenko defected and announced that he was dealing with this guy.

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JACK GERMOND: And then they let that...

BARNES: Wait a minute.

There's also the case of Edward Howard. Yurchenko ratted on him. They trace him down to New Mexico. He's an ex-CIA agent. And he walks away and winds up in Moscow.

Case after case. The Walker case. That went on for 20 years, these Navy people spying.

MCLAUGHLIN: Do you find it interesting, Fred Brankes, because I know you're a man of discernment, that Yurchenko delivered two of the drained spies -- i.e., Howard, who the Soviets had got all the infomation they could get out of him, and likewise Pelton?

BARNES: It raises questions about whether it was a planned defection and he was always going to return. Because the Soviets had no more use for either Pelton or Howard.

ROBERT NOVAK: Exactly.

GERMOND: The point is, though, that these -- if we take cases like Walker and Pelton, these people are going around wearing a sign saying, "Discover me," you know, and finally they find them. This guy Howard they let get away.

My Lord, what is going on here that they don't know about with people that are a little more subtle? We've got an Intelligence Establishment that apparently is shot through with people who are giving away secrets.

NOVAK: I'll tell you something...

MCLAUGHLIN: Wait a minute. Wait a minute.

Jack, are you criticizing the CIA Director and the whole agency?

GERMOND: You want me to criticize him particularly or the whole apparatus?

MCLAUGHLIN: How would you rate the counterintellience of this country?

GERMOND: They can't find their way across the street.

MCLAUGHLIN: Yeah. Pretty miserable.

NOVAK: I'll tell you something, Jack. Your naivete

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always surprises me, but this time you've outdone yourself. Because you are saying, "My goodness. There are spies in the United States."

You know, if I had gotten on this...

GERMOND: I'm not saying that. I'm saying it's surprising we haven't found them.

NOVAK: If I had gotten on this program three years ago and said, "Boy, we have got a lot of spies," you'd say, "Gee, Novak, you're always finding communists under beds."

I'll tell you something else. We've got a lot of spies in the Soviet Union. And that is a police state, Mr. Germond. And we can't -- and they can't root them out.

MORTON KONDRACKE: You know...

MCLAUGHLIN: Mort, Mort, Mort, Mort, Mort, wait a minute. I've got a special thing to ask you.

He, namely Barnes, dismissed Mr. Casey's pressure on the press, in this instance and related instances, as a bluff and not worthy of discussion. Do you share that view?

KONDRACKE: No. He had an effect. I mean there are a lot of people around who know exactly what we had...

BARNES: What's to work?

KONDRACKE: ...exactly what we had, and nobody in the press published it.

You know, I'm frankly getting bored with the Pelton case. I think the Pollard case is a much more interesting case.

NOVAK: Much more interesting.

KONDRACKE: And it's a case where...

MCLAUGHLIN: What's Pollard?

KONDRACKE: Pollard is a spy who took money from Israel to...

MCLAUGHLIN: How much did he take? Almost $50,000.

KONDRACKE: Forty-five thousand dollars.

The thing in the Pollard case is that counterintelligence did work. Pollard's assocaites in the Naval Investigative

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Service found him wandering around looking for secrets outside the Caribbean, which was his area, and turned him in. That's...

BARNES: Wait a minute.

MCLAUGHLIN: Let Jack speak to this.

GERMOND: Let me go back. The interesting thing about all of these things is that these are not ideological, this is not a question of communists. These people are selling out for bucks. All of them.

KONDRACKE: But Pollard, partly, was doing it out of loyalty to Israel.

NOVAK: Mort.

KONDRACKE: And before you get into this, let me just -- before Novak does a tap dance on Israel, let me say that this is a country which, if it were not in peril of its life, would not do things like spying on us.

NOVAK: Let me just say that the interesting thing, Mr. McLaughlin...

MCLAUGHLIN: Doctor.

NOVAK: Doctor, Dr. J, about the Israeli case is this: that Pollard was written off by Abe Safir (?), the legal adviser to the State Department. They were told that this was not an indication of widespread Israeli spying.

The Justice Department took the opposite thing. There are four unindicted co-conspirators who are officials of the Israeli Embassy, who are Israeli diplomats. And this whole case is raising the prospect of systematic Israeli spying against their benefactor and their ally.

I'll say one thing. You don't have Saudi Arabian intelligence in Washington.

GERMOND: I wouldn't bet on it.

MCLAUGHLIN: A one-word answer relating to Director Casey at the CIA. Is he now in retreat on the issue of the misbehavior of the press, as he put it, or is he going to remain in an attack position?

BARNES: Retreat.

NOVAK: The White House has turned him off.

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GERMOND: I agree with that.

KONDRACKE: That's right.

MCLAUGHLIN: Five retreat.

We'll all salute Mr. Casey.

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